

BATON ROUGE BLACK ALCOHOLISM COUNCIL, INC.

d/b/a METRO HEALTH

Baton Rouge, Louisiana

Annual Financial Report

As of and for the Year Ended

December 31, 2010

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date **SEP 14 2011**

DONALD C. De VILLE

Certified Public Accountant

7829 Bluebonnet Boulevard

Baton Rouge, Louisiana 70810

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Certified Public Accountant



Donald C. DeVille

Member
American Institute CPAs

Member
Louisiana Society CPAs

7829 BLUEBONNET BLVD.
BATON ROUGE, LA 70810
(225) 767-7829

INDEPENDENT AUDITOR'S REPORT

June 23, 2011

Members of the Board of Directors
Baton Rouge Black Alcoholism Council, Inc.
Baton Rouge, Louisiana

I have audited the accompanying Statement of Financial Position of Baton Rouge Black Alcoholism Council, Inc. (a non-profit organization) as of December 31, 2010 and the related Statements of Activities, Functional Expenses and Cash Flows for the year then ended. The financial statements are the responsibility of Baton Rouge Black Alcoholism Council, Inc.'s management. My responsibility is to express an opinion of these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Governmental Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provided a reasonable basis for my opinion.

In my opinion, the financial statement referred to above present fairly, in all material respects, the financial position of Baton Rouge Black Alcoholism Council, Inc. as of December 31, 2010, and the changes in net assets and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, I have also issued my report dated June 23, 2011, on my consideration of Baton Rouge Black Alcoholism Council, Inc.'s internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of my audit.

Respectfully submitted

A handwritten signature in cursive script, appearing to read "H. McWille".

BATON ROUGE BLACK ALCOHOLISM COUNCIL, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2010

ASSETS:

Cash	\$297
Grants and Contracts Receivable	83,112
Fixed Assets, net	<u>21,214</u>
Total Assets	<u>104,623</u>

LIABILITIES AND NET ASSETS:

LIABILITIES:

Bank Overdraft	\$3,086
Line of Credit	3,841
Loan from Employee	14,785
Accounts Payable	5,554
Payroll Taxes and Related Payable	<u>37,473</u>
Total Liabilities	<u>64,739</u>

NET ASSETS

Unrestricted	<u>39,884</u>
Total Net Assets	<u>39,884</u>

TOTAL LIABILITIES AND NET ASSETS	<u>104,623</u>
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See accompanying notes to financial statements.

BATON ROUGE BLACK ALCOHOLISM COUNCIL, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2010

Revenues, gains and other support:

Support from the Public:	
Contributions	\$12,965
Grants and Contracts	594,080
Other Income	439
Total Revenue, Gains and Other Support	<u>607,484</u>

EXPENSES:

Program Services:	
HIV/AIDS/STD Prevention	502,357
Total Program Services	<u>502,357</u>

Supporting Services:	
General Operations	81,579
Total Supporting Services	<u>81,579</u>
Total Expenses	<u>583,936</u>

Increase in Net Assets	23,548
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NET ASSETS AT BEGINNING OF YEAR	<u>16,336</u>
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NET ASSETS AT END OF YEAR	<u><u>39,884</u></u>
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See accompanying notes to financial statements.

BATON ROUGE BLACK ALCOHOLISM COUNCIL, INC.
STATEMENT OF FUNCTIONAL EXPENSE
YEAR ENDED DECEMBER 31, 2010

	PROGRAM SERVICES	SUPPORT SERVICES		TOTAL
		MANAGEMENT	FUND DEVELOPMENT	
Salaries	\$349,052	\$66,486	\$0	\$415,538
Payroll Taxes	14,801	2,819	0	17,620
Employee Benefits	11,335	2,159	0	13,494
Accounting	7,710	2,709	0	10,419
Advertising	1,000	0	0	1,000
Bank Charges	1,304	0	0	1,304
Contract Labor	190	0	0	190
Depreciation	4,339	0	0	4,339
Donations	200	0	0	200
Dues and Subscription	231	0	0	231
Incentives	59	0	0	59
Insurance	18,922	0	0	18,922
Interest Expense	0	2,746	0	2,746
Legal	1,270	0	0	1,270
Licenses	625	0	0	625
Meetings	727	0	0	727
Miscellaneous	69	0	0	69
Occupancy	17,180	0	0	17,180
Penalties	0	4,660	0	4,660
Postage	446	0	0	446
Printing	1,732	0	0	1,732
Professional	11,776	0	0	11,776
Program Expense	21,414	0	0	21,414
Repairs	131	0	0	131
Supplies	11,583	0	0	11,583
Telephone	9,122	0	0	9,122
Travel	17,139	0	0	17,139
Total Expenses	502,357	81,579	0	583,936

See accompanying notes to financial statements.

BATON ROUGE BLACK ALCOHOLISM COUNCIL, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2010

CASH FLOWS FROM OPERATING ACTIVITIES:

Changes in net assets	\$23,548
Adjustment to reconcile increases in net assets to net assets provided by operating activities:	
Depreciation	4,339
(Increases) decreases in operating assets:	
Grants and contracts receivable	(3,898)
Increases (decreases) in operating liabilities:	
Accounts payable	(3,972)
Loan from employee	4,785
Employee benefits payable	30,959
Lease payable	0
Net Cash Provided by Operating Activities	<u><u>55,761</u></u>

Cash Flows From Investing Activities:

Purchase of property, plant and equipment	(22,330)
Net Cash Provided (used) By Investing Activities	<u><u>(22,330)</u></u>

Cash Flows From Financing Activities:

Proceeds from loans	48,842
Repayment of loans	(45,820)
Net Cash Provided (used) By Investing Activities	<u><u>3,022</u></u>

Net Increase (Decrease) in Cash	36,453
Cash and cash equivalents at beginning of year	<u><u>(39,242)</u></u>
Cash and cash equivalents at end of year	<u><u>(2,789)</u></u>

Supplemental Disclosure of cash flow information:

Interest paid.	<u><u>2,746</u></u>
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There were no non-cash investing or financing activities.

See accompanying notes to financial statements.

BATON ROUGE BLACK ALCOHOLISM COUNCIL, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The Baton Rouge Black Alcoholism Council, Inc. (Organization) is a Louisiana voluntary health non-profit corporation, incorporated on December 12, 1988.

The mission of the Organization is to develop and implement strategies that will reduce the spread of HIV/AIDS and other sexually transmitted diseases (STDs); to educate and provide risk reduction counseling and testing to individuals in institutional and community settings; to encourage early HIV testing, to motivate behavioral changes in persons with behaviors that put them at risk of getting infected with HIV/STDs; to increase the awareness of preventive services; to render support and directions to persons infected with HIV and other STDs; to offer alcohol and drug prevention and referral services (basic education, and connect individuals with alcohol or drug problems to counseling and treatment services; to offer educational services on health issues.

Basis of Presentation

The financial statements of the Organization have been prepared on the accrual basis. The Organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. Currently the Organization has no temporarily or permanently restricted net assets.

Public Support and Revenue

Contributions and grants received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence or nature of any donor restrictions.

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions and grants are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets. Contributions and grants received with donor-imposed restrictions that are met in the same year in which the contributions or grants are received are classified as unrestricted contributions and grants.

The Organization uses the allowance method to determine uncollectible unconditional promises receivable. The allowance is based on prior years' experience and management's analysis of specific promises made. At year-end there was on allowance for uncollectible.

BATON ROUGE BLACK ALCOHOLISM COUNCIL, INC.
NOTES TO FINANCIAL STATEMENTS

Cash and Cash Equivalents

For the purposes of the statement of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Prepaid

Material insurance and similar services which extend benefit over more than one accounting period have been recorded as prepaid.

Property and Equipment

It is the Organization's policy to capitalize property and equipment over \$1,000. Lesser amounts are expensed. Purchased property and equipment is capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time. Property and equipment are depreciated using the straight-line method.

Financial Statement Presentation

The Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Income Tax

The Organization is exempt from Federal Income Taxes under Section 502 (c) (3) of the Internal Revenue Code, and has been designated as an organization other than a private foundation. Accordingly, no provision has been made for income taxes in the financial statements.

The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Organization believes it is no longer subject to tax return examinations for the years prior to 2007.

BATON ROUGE BLACK ALCOHOLISM COUNCIL, INC.
NOTES TO FINANCIAL STATEMENTS

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles require management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

FUNCTIONAL ALLOCATION OF EXPENSES

The cost of providing the various program and activities has been summarized on a functional basis in the statement of activities. Accordingly, certain cost have been allocated amount the programs and supporting services benefited.

Note 2 - CONCENTRATION OF CREDIT RISK FOR CASH HELD IN BANK

The Organization maintains three bank accounts at a couple of financial institutions. The Organization's book balance as of December 31, 2010 was \$(2,789). Cash in these institutions were maintained in demand accounts. The \$1,802 bank balances were insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000.

NOTE 3 – GRANTS RECEIVABLE

The Organization's promise to give (pledge receivables) at year end consist of the Following:

State of Louisiana	\$29,364
Children's Hospital	2,552
HAART	12,000
Other	255
East Baton Rouge City/Parish	38,941

Total	83,112
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Receivables are written-off under the direct write-off method whereby bad debts are recorded when a receivable is deemed uncollectible. If they are subsequently collected they are recorded as miscellaneous income. The direct charge off method is not a material departure from GAAP as it approximates the valuation method.

BATON ROUGE BLACK ALCOHOLISM COUNCIL, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 4 - FIXED ASSETS

A summary of fixed assets follows:

Equipment Cost	44,711
Accumulated Depreciation	<u>(23,497)</u>
Book Value	<u>21,214</u>

NOTE 6 - LOANS PAYABLE

The Organization has a line of credit with Chase Card Services in the amount of \$4,000. The line carries an interest rate of 19.24% interest. As of year-end the Organization has used \$3,841 and has \$159 of available credit.

During the year an employee loaned the Organization \$14,785 at zero percent interest to cover payroll. As of year-end, \$14,785 was still outstanding and payable.

NOTE 7 - LEASE OBLIGATIONS

The Organization leased offices in two community center locations from the City of Baton Rouge for a monthly rental of \$600 and \$800 per month. The leases have expired and the Organizations leases on a month to month basis.

The future rental payments are as follows:

2011	\$-0-
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NOTE 8 - JUDGEMENTS, CLAIMS AND SIMILAR CONTINGENCIES

There is no litigation or pending claims against the Organization.

NOTE 9 - BOARD OF DIRECTORS COMPENSATION

The Board of Directors are a voluntary board, therefore no compensation has been paid to any member.

BATON ROUGE BLACK ALCOHOLISM COUNCIL, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 10 - RISK MANAGEMENT

The Organization is exposed to various risks of loss related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Organization has purchased commercial insurance to cover or reduce the risk of loss that might arise should one of these incidents occur. No claims were made during the year.

NOTE 11 – ECONOMIC DEPENDENCY

The Organization receives the majority of its revenues from funds provided through payments administered by the Department of Public Health and the City of Baton Rouge. If significant budget cuts are made at the federal and/or state level the amount of funds the Organization receives could be reduced significantly and have a impact on its operations. Management is aware of State budget cuts in 2011 and is making the necessary reductions in expenses and exploring additional funding sources.

NOTE 12 - CONTINGENCIES

The Organization receives a portion of its revenues from governmental grants and contracts, all of which are subject to audit by the governments. The ultimate determination of amounts received under these programs generally is based upon allowable cost reported to and are subject to audit by the government. Until such audits, if any, there exists a contingency to refund any amount received in excess of allowable cost. Management is of the opinion that no material liability will result from such audits.

NOTE 13 – SUBSEQUENT EVENTS

The Organization did not have any subsequent events through June 23, 2011, which is the date the financial statements were available to be issued for events requiring recording or disclosure in the financial statements for the year ended December 31, 2010.

SUPPLEMENTAL INFORMATION

Certified Public Accountant



Donald C. DeVille

Member
American Institute CPAs

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Louisiana Society CPAs

7829 BLUEBONNET BLVD.
BATON ROUGE, LA 70810
(225) 767-7829

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

June 23, 2011

Members of the Board of Directors
Baton Rouge Black Alcoholism Council, Inc.
Baton Rouge, Louisiana

I have audited the financial statements of the Baton Rouge Black Alcoholism Council, Inc. as of and for the year ended December 31, 2010, and have issued my report thereon dated June 23, 2011. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing my audit, I considered Baton Rouge Black Alcoholism Council, Inc.'s internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

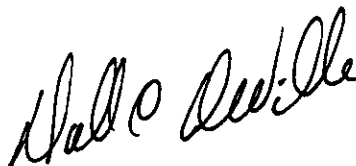
A deficiency in internal control exist when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatement on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. I did not identify any deficiency in internal control over financial reporting that I consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Baton Rouge Black Alcoholism Council, Inc.'s financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my test disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

This report is intended for the information of the management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statutes 24:513, this report is distributed by the Legislative Auditor as a public document and distribution is not limited.

A handwritten signature in black ink, appearing to read "Dale O. DeBeauvoir", is written diagonally across the page.

BATON ROUGE BLACK ALCOHOLISM COUNCIL, INC.
SCHEDULE OF PRIOR YEAR'S FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2010

<u>Re</u> <u>No.</u>	<u>Fiscal Year</u> <u>Finding</u> <u>Initially</u> <u>Occurred</u>	<u>Description of Finding</u>	<u>Corrective Action Taken</u> <u>(Yes, No, Partially)</u>	<u>Corrective</u> <u>Action</u> <u>Taken</u>
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None

BATON ROUGE BLACK ALCOHOLISM COUNCIL, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COST
FOR THE YEAR ENDED DECEMBER 31, 2010

A. Summary of Auditor's Result

Financial Statements

Type of auditor's report issued: Unqualified

- **No material weaknesses identified.**
- **No significant deficiencies identified that are not considered to a material weakness.**

No noncompliance material to financial statements noted.

Federal Awards: Not Applicable

B. Findings – Financial Statement Audit

None

BATON ROUGE BLACK ALCOHOLISM COUNCIL, INC.
CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED DECEMBER 31, 2009

Not Applicable